

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION**

In re:)
ClubX, LLC,) Case No. 20-12470-KHK
Debtor.) Chapter 7 Proceeding
)
)

**WOLRDGATE CENTRE OWNER, LLC'S RESPONSE TO
TRUSTEE'S MOTION REQUESTING JUDICIAL MEDIATION**

Worldgate Centre Owner, LLC (“Worldgate”) respectfully submits this response to the Trustee’s Motion Requesting Judicial Administration (the “Motion”), and asserts as follows:

1. Worldgate generally supports the Motion and agrees that judicial mediation may be appropriate to facilitate negotiations for a resolution of the Trustee Claims and Claim Objection if the parties have sufficient information about the claims of the other and the claims of the Trustee.

2. However, currently the parties are negotiating an agreement for all parties to the mediation to exchange information and documents prior to the mediation. Without it, mediation may be of little value. To date, Worldgate has not only produced more than 17,000 pages of discovery at the Trustee’s request (and Worldgate’s expense) but has assisted the Trustee by providing it with the Rule 2004 Discovery it conducted in this matter (again at Worldgate’s expense) over the objection of Holdings. *See* ECF 60, ECF 61.

3. Worldgate is amenable to the Trustee sharing with Holdings all the documents that Worldgate has and will produce to the Trustee in response to a Joint Stipulation on Discovery, subject to an appropriate protective order, and with Worldgate likewise receiving all relevant discovery produced by Holdings and third parties that has been or will be requested by the Trustee and Worldgate. In fact, Worldgate discussed this exact issue with Holdings and the Trustee on

Friday, October 13, 2023 and Holdings did not give Worldgate any advance notice that Holdings intended to file the response that it filed later in the same day, which suggests that Worldgate is withholding documents. In reality, Friday, October 13, 2023, was the first time that Holdings particularized the specific documents it wished to receive from Worldgate in connection with mediation efforts. However, because Holdings waited until the very last minute to specify its conditions to mediation, Worldgate needs more time to ensure that it can comply with Holdings' requests, including its demand for Worldgate to review and produce six years of internal communications.

4. Worldgate remains hopeful that the parties can mediate and reach a stipulation regarding documents, but it is unlikely that the parties will have such a stipulation in place by the hearing on this motion. Accordingly, Worldgate respectfully requests that the hearing on the Trustee's Motion be continued pending agreement on the parameters of a Joint Stipulation for Discovery.

Dated: October 16, 2023

Respectfully submitted,

/s/ Stephen K. Gallagher

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CERTIFICATE OF SERVICE

I hereby certify that on this 16th day of October 2023, a copy of the foregoing Notice of Appearance was served via this court's ECF system on those parties listed to receive such notice and via first class United States mail, postage prepaid, on the following parties:

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